

Chapter 4 CONTRACT ADMINISTRATION AND FEE STRUCTURE

A. General

This Chapter outlines the requirements for the fee proposal, negotiations and award of the A/E contract.

B. Pre-Award Activities

1. A/E Selection.

Complete information concerning FD&CC policies and procedures for consideration and selection is available from the Commanding Officer, USCG Facilities Design and Construction Center Pacific, 915 Second Avenue Room 2664, Seattle, WA 98199.

2. Request for Fee Proposal.

The A/E selected for the project will be notified in writing by the KO and requested to submit a fee proposal for the project. The A/E will be furnished the proposed A/E contract, this guide, and a copy of the Appendix A, Statement of Work. The A/E may, at their expense, visit the site prior to preparation of a proposal. The A/E or the FD&CC may request a pre-negotiation conference at the FD&CC office to discuss any unusual or significant aspects of the project.

3. Statement of Work (SOW).

The Statement of Work (Appendix "A" of the contract) sets forth the project specific design requirements, the services to be provided (project planning/feasibility reports, preliminary plans, construction documents, construction support services, the schedule for submittals) and any special considerations required. The SOW will be the basis for negotiating the fee for the project and, along with any agreed upon modifications made during negotiations, shall become a part of the contract.

4. Pre-Negotiation Conference.

For certain projects, pre-negotiation visits to the site may be necessary for reviewing and clarifying the proposed items of A/E Services and to become more familiar with site conditions. The pre-negotiation conference will normally be attended by the EIC, Contracting Officer, and representatives of the Benefiting Unit. This conference is not mandatory and FD&CC will not be responsible for A/E costs incurred by this visit.

C. Fee Proposal

1. Format of the Proposal.

The fee proposal shall be based on man-hour requirements and shall be prepared using the Fee Proposal forms contained in Appendix F. An Excel version of this form is available from the EIC.

2. Services Defined.

The A/E contract is divided into three basic types of services: Design, Engineering and Construction Support.

- a. Design Services are defined as those efforts related and integral to the production and delivery of plans, designs, drawings, specifications and cost estimates. They include:
 - Schematic Design (0-35%)
 - Progress Submission (35%-65%)
 - Final Design (35-100%)
 - Specifications
- b. Engineering Services are generally those efforts necessary to develop physical data required for the preparation of the design and include but are not limited to:
 - Pre-design Conference
 - Review Conferences
 - Site surveys including topographic, boundary, utility and hydrographic
 - Geotechnical investigations
 - Concept Design Studies
 - Engineering Studies
 - Site investigations to determine the existing conditions of architectural, structural, electrical, mechanical, and utilities systems
 - Interior design/furnishings
 - Master planning
 - Cost estimating
 - Hazardous Material Surveys
- c. Construction support services are those services that support the construction effort. They are divided into two classifications: Construction Contract Support Services (CCSS) and Field Support Services (FSS):

Construction Contract Support Services (CCSS) include:

- Submittal review
- Office consultation during construction

- Preparation of Operations and Maintenance Manuals
- Preparation of As-Built documents.

Field Support Services (FSS) include:

- Attending pre-construction conferences
- Periodic site inspections
- Participation in the Final Inspection and preparation of punch-lists
- Value engineering proposal review
- Field consultation.

3. Design Phases.

USCG projects evolve from the planning documents, progress through the final design to the construction contract award. The drawings, design analysis, specifications, and estimates for each phase shall be prepared in accordance with instructions contained within this Guide and the A/E contract. These requirements may be modified by negotiation for projects of an unusual nature or scope if the Contracting Officer determines the usual format is not appropriate.

a. Phase I - Contract Base Bid.

CONCEPT STUDIES

Concept studies are considered an Engineering Service and are not part of all A/E contracts (The SOW will provide specific requirements when concept studies are included in the contract). This effort requires the study of 2-3 alternative functional plans for the purpose of evolving a single plan that provides the best functionally responsive facility for the user and represents approximately 10% of the finished design.

See Chapter 8 for additional information on Concept Design Studies.

SCHEMATIC DESIGN

The Schematic Design phase is limited to not more than 35 percent of the total design and is based on the approved concept study. Schematic design shall include the requirements for each technical section. This includes drawings, outline specifications, data, and sufficient documentation so FD&CC and the Benefiting Unit can determine if the design is responsive to the Unit's functional requirements and provide a firm basis to allow a dependable cost estimate to be prepared on which the final design can be initiated.

See Chapter 9 for additional information on the Schematic Design Submission.

b. Phase II – Contract Option I

FINAL DESIGN

The final design phase is the completion of construction documents and other deliverables as required by contract.

FD&CC may not exercise the Option for Final Design. If this should occur, all drawings, data, reports and other material related to the project shall be turned over and become property of FD&CC.

See Chapters 10 and 11 for additional information on the Final Design.

c. Phase III – Contract Option II

CONSTRUCTION SUPPORT PHASE SUPPORT

The construction support phase contains services provided by the A/E in support of the construction effort (submittal review, site visits, etc).

FD&CC may not exercise this option.

See Chapter 12 for additional information on the Construction Phase Services.

4. Fee Limitations.

Services defined as *Design Services* may not exceed the 6% statutory limitations imposed by FAR 15.90.3(d)(1)(ii) for design services. The limitation does not apply to cost of investigative and other services identified as Engineering Services in the SOW.

5. A/E and Consultant Rates.

All labor rates may be subjected to a DCAA audit. When subcontractors are employed for the project, the audit procedure may apply to them as well. Overhead rates proposed should be a weighted rate based on work performed by the various contractors. The labor rates shown for professionals and sub-professionals should also be a weighted average of the rates for the actual individuals assigned to the project. Work sheets shall be submitted with the proposal, showing how these weighted rates were derived.

D. Schedule/Quality Assurance Plan

Concurrent with the fee proposal, the A/E shall submit a schedule for accomplishing the design within the stated time restrictions in the SOW. The schedule may be either in the form of a bar chart or

network analysis showing sequence of completion. Project schedule shall include all review and approval periods required by the government and identified in the SOW.

Accompanying the project schedule will be an explanation of the management approach to execution of the project addressing coordination between consultants, plan for quality control, organizational responsibility of team members and individuals with primary project responsibility. This plan is subject to approval by the KO and shall be corrected to address any comments by the KO. During the period of the contract, the A/E is required to submit in writing to the KO, for approval, proposed changes in the schedule and/or the quality assurance plan.

E. Negotiations

Negotiations will normally be held in the FD&CC office. The objective is to assure a mutual understanding of the SOW and to reach an agreement on a fair and reasonable fee. The A/E is strongly encouraged to notify the KO, and obtain written approval to any proposed changes in the SOW, prior to the start of negotiations. During negotiations, the SOW will be thoroughly reviewed and the A/E's proposal will be examined and discussed in detail.

F. Notice to Proceed

Upon successful completion of the contract negotiation, the KO will notify the A/E. (Should negotiations fail, FD&CC will invite a proposal from the next A/E firm selected from the interviews.) If agreement is reached, the contract will be forwarded to the A/E for signature approximately 15 days after completion of negotiations. The award of contract will constitute the A/E's Notice to Proceed with the work.

G. INITIATION OF WORK

The A-E shall not proceed or initiate any work or any successive design level of the work required under this contract prior to receipt of approval by the Contracting Officer of the preceding design level. Unauthorized work shall be at the complete risk of the A-E.

C. PAYMENTS

1. General.

Shortly after award of the contract, the Contracting Officer will forward a payment information package to the A/E. This package contains guidance and forms for preparing and submitting payments in accordance with the Contract Clause entitled "Payments Under Fixed-Price Architect-Engineer Contracts". Monthly payments may be made as the work progresses subject to submission by the A/E of estimates of the value of completed services and determination by the EIC that the A/E's performance is satisfactory. The extent of supporting data required from the A/E will vary depending upon the amount of the invoice and past A/E performance but shall as a minimum contain discrete line items for phases and options of work, values for each from the fee proposal, percentage of work complete and value of work complete.

2. Progress Payments

Payment requests may be submitted at the completion of each of the scheduled submitted stages, or on a monthly basis. The selected invoicing interval is to be agreed to at the completion of negotiations. Submit on Form KO-2b, *Request for Progress Payment (A/E)*. See Exhibit 3.1.

3. Reimbursables

When claims are submitted for reimbursable costs allowed under the contract, receipts and other supporting data relative to the claim must be included with the payment request. If additional travel has been authorized by the KO a completed A/E Travel Claim Voucher is to be submitted.

4. Retention

10% retention may be applied to the partial payment requests for Schematic Design (Design Development) and Final Design services. Retention will not be applied to CCSS or FSS options. In accordance with contract clause 52.232-10, "*Payments Under Fixed Price Architect Engineer Contracts*," and as approved by the Contracting Officer, retainage will not be carried over to subsequent options.

5. Final Payments

Submit an executed Contractor's Release Form. Prior to final invoicing, the amount of completed performance should be confirmed with the EIC.

6. Non Acceptance

Improperly prepared requests that do not meet the requirements of this A/E Guide will be returned to you within 15 days of receipt, stamped NOT ACCEPTED. When you re-submit a properly prepared payment request, the date on it must be the date re-submitted and not the original date of the NOT ACCEPTED payment request. The payment request number will remain the same.

D. Correspondence

Correspondence with FD&CC shall be addressed to:

Commanding Officer
Attn: (Name of Contracting Officer)
USCG Facilities Design and Construction Center Pacific
915 Second Avenue, Room 2664
Seattle, WA 98174-1011

All correspondence relating to the A/E Contract shall reference the contract number. After award of a construction contract, all correspondence relating to the construction contract documents (drawings and specifications) shall reference the A/E Contract Number, the project title and location, and the construction contract number. When bulky submittal items are forwarded under separate cover, a copy of the forwarding letter and other related correspondence shall be included with the package forwarded under separate cover.

E. TRAVEL REGULATIONS

If the A/E and/or his representative(s) are directed by the Contracting Officer to travel to locations not specifically covered in the contract, the Government will reimburse the A/E for transportation and allow for such travel at a cost not to exceed the then current daily rates for Government employees, including per diem, mileage, etc., in lieu of all other expenses. Transportation cost by air will be calculated at the lowest coach rate for corporate air tickets. Transportation by automobile on such required travel shall be reimbursed and travel time and mileage will be determined in accordance with Joint Travel Regulations. All such travel shall be approved in writing by the Contracting Officer.

REQUEST FOR PROGRESS PAYMENT (A/E)

FROM:

Contractor's Name

Address

City State Zip

Contract Number:

Payment Request No.

Date:

Contract Title:

Prompt Payment Discount:

The undersigned Contractor certifies that the work covered by this Request for Payment has been completed in accordance with the Contract Documents, and that the current payment shown is now due.

| | | |
|--------------------------------|----|---|
| Original Contract Amount: | \$ | - |
| Net Changes thru Mod No. ____ | \$ | - |
| SUBTOTAL | \$ | - |
| Value of Completed Performance | \$ | - |
| Less Total of Prior Payments | \$ | - |
| Amount of this Payment Request | \$ | - |

Contractor's Signature/Title

Date

To be completed by the FDCC PAC Engineer-In-Charge:

In accordance with the Contract and this Request, the Contractor is entitled to payment in the amount shown below.

| | | |
|------------------------------------|-----------|----------|
| Amt of Work Performed to Date: | \$ | - |
| Less Previous Payments: | \$ | - |
| SUBTOTAL | \$ | - |
| Less Previous Retention: | \$ | - |
| SUBTOTAL | \$ | - |
| Less Retention This Payment: | \$ | - |
| Recommended Payment Amount: | \$ | - |

[] Partial [] Final Payment

DAFIS Number

DAFIS Number

DAFIS Number

Engineer-In-Charge

Date

KO 2B